

## Message Text

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NO. 2 FOR CARTER FROM PA

E.O. 11652: N/A

TAGS: SOPN, OVIP, (VANCE)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT HEDRICK SMITH BYLINER NEW YORK TIMES FRIDAY MAY 6 HEADED "AMERICANS GATHERING FOR SUMMIT TALKS SEE CARTER'S DRIVE AGAINST NUCLEAR SPREAD AS MOST VOLATILE ISSUE."
  2. THE AMERICAN DELEGATION ARRIVING HERE TODAY EXPECTS PRESIDENT CARTER'S DRIVE TO CURB THE SPREAD OF NUCLEAR TECHNOLOGY WITH WEAPON POTENTIAL TO BE THE MOST CONTENTIOUS ISSUE AT THE SEVEN-NATION ECONOMIC SUMMIT CONFERENCE OF WESTERN LEADERS OPENING HERE TOMORROW.
  3. CHANCELLOR HELMUT SCHMIDT OF WEST GERMANY, OPENLY DEFYING MR. CARTER'S APPEALS, HAS CALLED THAT INITIATIVE  
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- "A DISASTER," AND OTHER EUROPEAN SPOKESMEN HAVE PRIVATELY CONTENDED THAT THE NEW AMERICAN ADMINISTRATION MAY BE TRYING TO REINFORCE EUROPEAN DEPENDENCE ON AMERICAN SUPPLIES OF NUCLEAR FUEL.
4. AT THE MEETING HERE, AMERICAN OFFICIALS ACKNOWLEDGE MR. CARTER EXPECTS TO FIND HIMSELF IN A MINORITY ON ONE

SIDE WITH PRIME MINISTER PIERRE ELLIOTT TRUDEAU OF CANADA, AND CONFRONTED ON THE OTHER SIDE BY THE LEADERS OF WEST GERMANY, FRANCE, ITALY, JAPAN AND

POSSIBLY BRITAIN.

5. MOST OF THOSE LEADERS HAVE REACTED COOLLY TO THE CARTER INITIATIVES AGAINST NUCLEAR PROLIFERATION.

6. SOME EUROPEAN OFFICIALS, ESPECIALLY THE FRENCH AND WEST GERMANS, HAD BEEN CONCERNED THAT THE CARTER ADMINISTRATION MIGHT BE TEMPTED TO HOLD BACK ON THE URANIUM SHIPMENTS. IN THEIR VIEW, THIS WAS A LEVER TO PERSUADE THE EUROPEANS TO ACCEPT MR. CARTER'S PROPOSALS FOR DISCOURAGING THE FUTURE SPREAD OF TECHNOLOGY THAT INCORPORATES THE POTENTIAL FOR MAKING NUCLEAR MATERIAL OF WEAPONS-GRADE.

7. ROY JENKINS, THE NEW PRESIDENT OF THE EUROPEAN COMMON MARKET COMMISSION, TOOK UP THE ISSUE WITH MR. CARTER WHEN THEY MET TWO WEEKS AGO. LAST WEEK A HIGH OFFICIAL OF THE INTERNATIONAL ATOMIC ENERGY AGENCY COMMENTED IN PARIS THAT MR. CARTER'S NEW POLICIES HAD "THROWN SOME DOUBT ON THE AVAILABILITY OF URANIUM." AMERICAN OFFICIALS HAVE BEEN AT PAINS IN RECENT DAYS TO ALLAY THESE FEARS, AS THE LONDON MEETING APPROACHED.

8. IN A SPEECH AT A CONFERENCE ON NUCLEAR MATTERS IN SALZBURG EARLIER THIS WEEK, JOSEPH S. NYE, JR., A DEPUTY UNCLASSIFIED

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UNDER SECRETARY OF STATE, ASSURED EUROPEANS THAT THE CARTER ADMINISTRATION WAS NOT ADOPTING THAT KIND OF PRESSURE TACTIC. A FEW DAYS EARLIER RICHARD N. COOPER, UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS, REPORTEDLY TOLD OFFICIALS OF THE EUROPEAN ECONOMIC COMMISSION IN LONDON THAT IN SIX TO EIGHT WEEKS, APPROVAL COULD BE EXPECTED ON A NUMBER OF SHIPMENTS OF HIGHLY ENRICHED URANIUM.

9. PREVIOUSLY, EUROPEAN OFFICIALS HAD WARNED THAT UNLESS PERMISSION WAS GIVEN SOON BY THE ADMINISTRATION, SOME EUROPEAN FACILITIES, ESPECIALLY THE NUKEM FUEL-FABRICATING FACILITY NEAR FRANKFURT, WEST GERMANY, WOULD HAVE TO BEGIN CUTTING BACK ON OPERATIONS. PRIVATELY THE EUROPEANS HAD COMPLAINED THAT IN THE PAST YEAR THE UNITED STATES HAD APPROVED SHIPMENT OF ONLY 15 POUNDS OF ABOUT 925 POUNDS OF HIGHLY ENRICHED URANIUM THAT WAS CALLED FOR UNDER EXISTING CONTRACTS.

10. ADMINISTRATION SOURCES REPORTED TODAY THAT THE ORDERS, NOW BEING RAPIDLY REVIEWED BY AN INTERAGENCY COMMITTEE

INVOLVED MORE THAN 440 POUNDS OF HIGHLY ENRICHED URANIUM. SOME WOULD REQUIRE PRESIDENTIAL APPROVAL.

11. "THE WILL IS THERE TO MOVE THESE CASES," SAID AN OFFICIAL AT THE POLICY LEVEL HERE. "IT SHOULD HELP EASE THE TENSIONS ON THE BROADER NUCLEAR ISSUES IN LONDON."

12. NONETHELESS, SEVERAL AMERICAN OFFICIALS INSISTED THAT THE STANDARDS FOR FUTURE SHIPMENTS WOULD BE TIGHTER AND THAT WASHINGTON WOULD URGE THE COUNTRIES IN EURATOM, THE EUROPEAN ATOMIC ENERGY AGENCY, AND ELSEWHERE, TO SHIFT AWAY FROM NUCLEAR REACTORS THAT REQUIRE WEAPONS-GRADE URANIUM.

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13. THE MAJOR CONTROVERSY THAT HAS DEVELOPED, MAINLY WITH WEST GERMANY AND FRANCE, WAS SPURRED BY THE PRESIDENT'S DRIVE TO DISSUADE OTHER COUNTRIES FROM PROCEEDING WITH BREEDER REACTORS AND PLUTONIUM REPROCESSING. HE ARGUED THAT THESE PROCESSES HEIGHTENED THE POSSIBILITY OF THE SPREAD OF NUCLEAR WEAPONS.

14. CHANCELLOR HELMUT SCHMIDT OF WEST GERMANY AND PRESIDENT VALERY GISCARD D'ESTAING OF FRANCE INSIST THAT THEIR COUNTRIES HAVE ADEQUATE SAFEGUARDS FOR THESE PROCESSES AND HAVE NO ADEQUATE ENERGY SUBSTITUTES. PRESIDENT CARTER INSISTS THAT SUBSTITUTE PROCESSES, PERHAPS INVOLVING THORIUM, BE DEVELOPED AND THAT TIGHTER SAFEGUARDS BE INSTITUTED.

15. THE EUROPEANS WANT TO SEEK ENERGY INDEPENDENCE FROM THE MIDDLE EAST OIL COUNTRIES. THEY SAY BREEDER REACTORS, WITH THEIR POTENTIAL FOR MULTIPLYING THE USAGE, THEREFORE THE SUPPLY, OF FISSIONABLE MATERIAL, ARE THEIR BEST HOPE. THEY LACK THE LARGE OIL AND COAL SUPPLIES THAT COULD BE AN ALTERNATIVE TO IMPORTED MIDDLE EAST OIL.

16. NOW THEY FIND MR. CARTER PRESSING THEM TO FORESWEAR THE TECHNOLOGY THEY HAVE BEGUN DEVELOPING. CHANCELLOR SCHMIDT HAS PROCEEDED WITH ARRANGEMENTS TO EXPORT WEST GERMAN TECHNOLOGY TO BRAZIL. HE TERMS THE NUCLEAR INDUSTRY THE MOST PROMISING INDUSTRIAL EXPORT FOR HIS NATION.

17. IN AN INTERVIEW WITH EUROPEAN TELEVISION CORRESPONDENTS ON MONDAY, MR. CARTER MADE CLEAR HIS DETERMINATION TO HEAD OFF THIS TREND. THOUGH HE SAID HE RESPECTED

THE EUROPEAN COUNTRIES' DRIVE FOR ENERGY AUTONOMY, HE WAS OPPOSED TO THEIR SALES OF REPROCESSING PLANTS TO OTHER NATIONS.

18. "WE DO OBJECT TO IT," HE SAID. "WE ARE NOT GOING TO UNCLASSIFIED

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TRY TO IMPOSE OUR WILL ON OTHER COUNTRIES. WE BELIEVE THAT OUR OPPOSITION WILL PREVENT SIMILAR SALES IN THE FUTURE." IT IS HIS AGGRESSIVENESS ON THIS ISSUE THAT HAS PARTICULARLY IRKED CHANCELLOR SCHMIDT.

19. PRIME MINISTER TAKEO FUKUDA HAS TOLD MR. CARTER THAT JAPAN, POOR IN ENERGY RESOURCES, HAS NO ALTERNATIVE BUT TO DEVELOP A NUCLEAR ENERGY CAPACITY THAT DOES NOT DEPEND ENTIRELY ON ANY OUTSIDE COUNTRY, INCLUDING THE UNITED STATES.

20. CANADA HAS SET EVEN TIGHTER RESTRICTIONS ON NUCLEAR FACILITIES THAN THE UNITED STATES. EARLY THIS YEAR CANADA CUT OFF ALL URANIUM SUPPLIES TO THE COMMON MARKET COUNTRIES IN A DISPUTE OVER SAFEGUARDS. NOW CANADA HAS WARMLY RECEIVED MR. CARTER'S EFFORTS TO IMPOSE TIGHTER CONTROLS.

21. PRIME MINISTER JAMES CALLAGHAN OF BRITAIN HAS GIVEN THE CARTER DRIVE A QUALIFIED WELCOME. BUT THE BRITISH PRESS, ECHOING COMMENTS ELSEWHERE, HAS SUGGESTS THAT THE EUROPEANS HAVE GOTTEN AHEAD OF THE UNITED STATES IN THE TECHNOLOGY OF FAST-BREEDER REACTORS AND THAT THE UNITED STATES, THEREFORE, WANTS TO LIMIT PLUTONIUM SUPPLIES TO CATCH UP.

22. POWERFUL FRENCH AND GERMAN INTERESTS FEEL THAT THE AMERICAN OPPOSITION TO SALES OF WEST EUROPEAN PLUTONIUM TECHNOLOGY TO SUCH COUNTRIES AS BRAZIL AND PAKISTAN IS INFLUENCED IN PART BY A DESIRE TO PREVENT EUROPEAN INDUSTRY FROM DEVELOPING A COMPETITIVE EXPORT ADVANTAGE OVER THE UNITED STATES. CHRISTOPHER

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